

# NOTES FROM THE:

## Deputy Assistant Secretary, Budget

by Major General George T. Stringer



**Streamlining Financial Plans.** The recent VTC on streamlining the O&M budget went very well. At press time we were reviewing your comments and suggestions on how the process could be improved. The success of the VTC has sparked an idea that perhaps more of these could be held during the year. This provides an excellent forum to disseminate information and get immediate feedback from the field.

**New Requirements in the FY99 O&M Budget.** The FY99 President's Budget (PB) will have two significant changes. First, the FY98 National Defense Authorization Act required the Secretary of the Air Force, to identify funding for depot maintenance in a discreet subactivity group beginning in FY99. To meet this request, we created four new DPEM subactivity groups (SAGs) under activity groups 11, 21, 32, and 41 in our O&M budget justification books. This change will not affect execution and financial information at MAJCOMs, and will be exactly as it is today. We have worked with DFAS-Denver to create software that extracts DPEM execution and presents it on the 1002 in the format Congress requested. Note also FY99 DPEM funding will have a floor similar to RPM this fiscal year.

Second, the FY99 PB implements a fundamental change in the management of one of the military's most important benefits. This change addresses the transfer of management responsibility and associated funding for Commissary Operations funding to each of the Services, as the link to the individual customer. The Air Force piece of this "devolvement" is \$301.1M for FY99. Effective 1 Oct 98, this action will properly align resource responsibility to the organizations that control demand on the Commissary system and will give the individual Services more of a stake in the management oversight and financial health of the Commissary. This decentralized approach will create a closer link between customer desires and the funding to support those demands. Overall, the change should mean increased responsiveness from the Commissary system and continued enhancements in this important quality of life area.

**Financial Management IPT.** The kickoff meeting of the SAF/FM Financial Management IPT was held on 10 Feb 98, at the Pentagon. Representatives from SAF/FMB/AQC/AQX, AF/ILSR, HQ AFMC, ESC, SA-ALC, ADTC, and the Reserves discussed areas where financial management policy may impact acquisition reform. The IPT will focus initially on current interpretations of bona fide need, program management and administration (PMA) implementation, and the use and definition of EEICs. In addition, an overview of the ongoing OSD initiative to reduce the number of contract ACRNs was presented. More issues will be reviewed based on input from the IPT members. The IPT will develop options for change but members agreed that IPT proposals will be fully staffed in the normal coordination process.

**FY98 Contingency Operations.** The Air Force continues to support peacekeeping and peace enforcing operations in Southwest Asia and Bosnia in FY98. Current Air Force contingency O&M requirements are \$1,070.3M—\$848.3M for Southwest Asia and \$222.0M for Bosnia. Current funding of \$692.4M leaves us with a shortfall of \$391.2M which was submitted in an emergency supplemental to Congress in early March. Congress wants to act quickly on this bill which, when passed, will avoid the painful process of cashflowing contingency requirements until late in the year as we experienced during FY97. As in the past, we will distribute funds to reimburse you for obligations incurred. We made the first distribution of contingency money to the commands on a March document. All involved must continue to track their contingency expenses (incremental costs) and estimates associated with Southwest Asia (Northern Watch, Enhanced Southern Watch, and AEFs) and Bosnia (Deliberate Guard and Joint Guard). Many thanks you for your great support in helping us develop and defend Air Force contingency funding requirements.